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Poland

Cotton and Products

Annual Update

2006

Approved by:

Charles Rush
U.S.Embassy

Prepared by:

CR/NK

Report Highlights:

The situation in the Polish cotton industry deteriorated considerably in 2005 reflecting a significant decrease in imports and consumption of cotton compared with 2004.

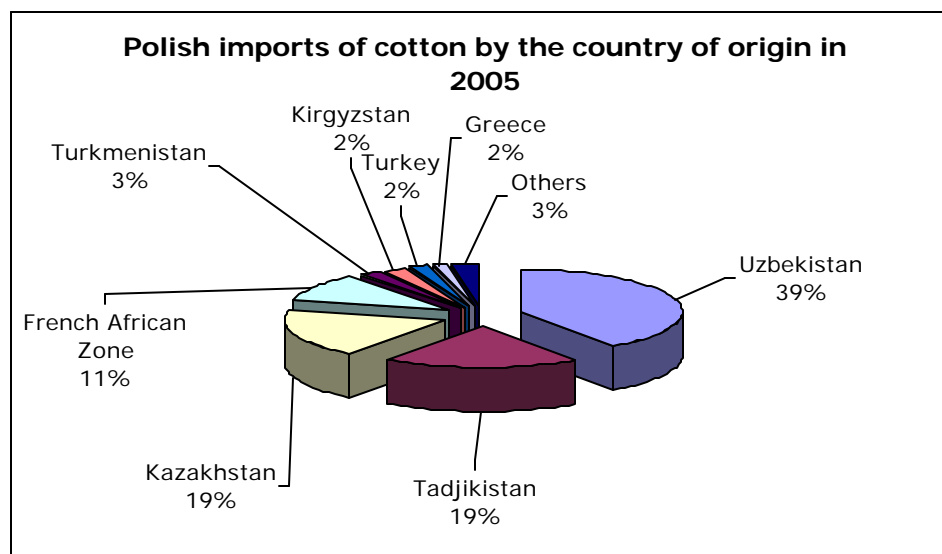
Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Warsaw [PL1]
[PL]

The cotton situation has dramatically deteriorated from January 1, 2005, when import restrictions for Chinese textile products and shoes were lifted as a result of WTO negotiations.

According to 2005 statistical data, Polish treadmills, weaving factories and knitting shops received fewer orders as a result, their production was much lower than in the previous year. This situation was due to the increased imports of cotton products from China (sometime several hundreds percent higher) and up to 20 percent lower prices for these products.

- Import and consumption of cotton decreased by 33.3 percent in 2005 compared with 2004
- Production of cotton thread decreased by an average of 30 percent in 2005 compared with 2004
- Total production of cotton fabrics was 121.75 million square meters in 2005 (22 percent decrease compared with 155.6 million square meters in 2004)

Structure of cotton imports to Poland



Source: Gdynia Cotton Association

Poland continues to import cotton primarily from Asian republics as identified in the table above. The varieties from other regions of the world represent only 16 percent of total imported cotton.

Uzbekistan is still the number one exporter of cotton to Poland; however, its market share continues to decline annually (in 1998 – 76.6 percent; in 2004 – 47.7 percent; in 2005 – 40.3 percent). Cottons from Tajikistan and Kazakhstan were also very popular and maintained their positions on the Polish market (20 percent and 15 percent, respectively). The percentage of African varieties increased up to 10.5 percent, while imports from Greece and Brazil decreased considerably in 2005 compared to previous years.

Considering the large stocks of cotton in the world, the situation in Poland should be much better, as the cotton prices are lower than in previous years. Although, the large stocks are not so important to Polish importers and processors, they are more interested in and concerned about the situation in Uzbekistan. More than half of the cotton imported to Poland

originates from Uzbekistan. Last October Uzbekistan organized its first cotton fair when the contracts for 1.1 million tons of raw material for MY 2005/2006, 2006/2007 and 2007/2008 were signed mostly with China, Russia, South Korea, Bangladesh and India. There was only a small quantity foreseen for European market. In the future, Polish processors may need to find other suppliers. Buying cotton from Uzbekistan for years has historical importance. In the past, when Asian cotton was the only available and affordable cotton for Polish companies, the spinning machines were configured to Russian standards cotton for processing. Over the years, as other varieties become available and affordable, the processors continued buying cotton from Asia. Poles continued to import Asian cotton because it allows additional time for investment in production equipment necessary for other cotton varieties